

Message Text

LIMITED OFFICIAL USE

PAGE 01 TAIPEI 05610 170953Z

21

ACTION COME-00

INFO OCT-01 EA-07 ISO-00 EB-07 /015 W

----- 019197

R 170908Z AUG 76

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 0737

LIMITED OFFICIAL USE TAIPEI 5610

E.O. 11652: N/A

TAGS: BENC, TW

SUBJECT: MAJOR PROJECT: CHINA STEEL EXPANSION STEP 2

REF: TAIPEI 4847, STATE 174423

1. AMBASSADOR AND ECON COUN MET WITH USS ENGINEERS AND CONSULTANTS (UEC) VICE PRESIDENT DAVID CARR JULY 28 TO REVIEW STATUS CHINA STEEL CORPORATION (CSC) STEP 2 EXPANSION PROGRAM AT NEW KAOHSIUNG MILL AND TO DISCUSS UEC EFFORTS OBTAIN DESIGN AND CONSTRUCTION SUPERVISION CONTRACT FOR STEP 2. CARR SOLICITED EMBASSY SUPPORT, WHICH WAS PROMISED.

2. CARR SUBSEQUENTLY WENT TO KAOHSIUNG FOR DISCUSSIONS WITH CSC CHAIRMAN MA AND PRESIDENT CHAO. HE DID NOT INFORM EMBASSY OF RESULTS THOSE DISCUSSIONS BEFORE HE LEFT TAIWAN. HOWEVER, ECON COUN DID RECEIVE REPORT ON AUGUST 12 FROM DICK LIGHTCAP, UEC PROJECT MANAGER FOR STEP 1. ACCORDING TO LIGHTCAP, MA AND CHAO INDICATED THAT DECISION TO PROCEED WITH STEP 2 WILL NOT BE MADE FOR AT LEAST SEVERAL MONTHS. DELAY IS DUE TO TWO FACTORS: (A) STEP 1 IS BEHIND SCHEDULE; WITH PLATE MILL, WHICH WAS DUE TO BEGIN OPERATING IN JANUARY 1977, NOW SCHEDULED FOR COMPLETION IN JUNE 1977, AND (B) CSC MANAGEMENT IS QUESTIONING NECESSITY TO HIRE FOREIGN CONSULTING FIRM FOR STEP 2. CSC ENGINEERING STAFF APPARENTLY IS ATTEMPTING TO CONVINCE MA AND CHAO THAT CORPORATION HAS DEVELOPED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TAIPEI 05610 170953Z

ENOUGH EXPERTNESS IN IMPLEMENTING STEP 1 TO DISPENSE

WITH UEC, NIPPON STEEL OR ANY OTHER FOREIGN FIRM IN
PLANNING AND BUILDING STEP 2. IN LIGHTCAP'S OPINION,
CSC COULDN'T DESIGN AND BUILD A SANDBOX, BUT
IDEA THAT CSC CAN "GO IT ALONE" UNDOUBTEDLY HAS APPEAL
TO MA AND CHAO SINCE IT WOULD SAVE CSC CONSIDERABLE
MONEY.

3. EMBASSY HAS NOT HAD OPPORTUNITY DISCUSS STEP 2
PLANS WITH MA OR CHAO SINCE NEITHER HAS BEEN IN TAIPEI
SINCE CARR'S VISIT. ECON COUN PLANS TO MEET WITH
ONE OR BOTH OF THEM DURING TRIP TO KAOHSIUNG EARLY
IN SEPTEMBER.
UNGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TAIPEI05610
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760315-0249
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760845/aaaabmsr.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 TAIPEI 4847, 76 STATE 174423
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAY 2004 by ShawDG>; APPROVED <22 SEP 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: CHINA STEEL EXPANSION STEP 2
TAGS: BENC, TW
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006